



CREDIT UNION  
*of America*

▶ 2023

Annual Report

# President's Message

Credit Union of America is proud of the unwavering commitment to safety and stability we demonstrated while navigating the challenging financial landscape of 2023. At CUA, our members know they can rely on our experienced team, and we take that responsibility seriously.

Our purpose statement is, **"We come to work every day inspired to make a difference in our members' lives."** It is the guiding light for every decision. Credit unions were founded on the principle of people helping people. As a not-for-profit financial cooperative, that is exactly what we do.

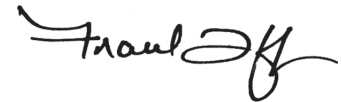
As everyone watched grim news of bank failures and multiple interest rate hikes by the Federal Reserve to curb inflation, your CUA leadership team remained steadfast in our mission. We balanced offering our members the highest return on their investments while still meeting the need for auto, home, and business loans. CUA remains comfortably capitalized, serving over 95,000 members with \$1.5 billion in assets. We continue to be a pillar of strength in the financial industry after 88 remarkable years. Our focus on competitive deposit and loan rates showcases how the credit union gives back to our members. Callahan & Associates, an independent credit union data analytics and consulting firm, ranked CUA first in the state of Kansas and 11th out of 188 similarly sized credit unions nationwide for our excellent record of return to our members.

In 2023, CUA expanded our footprint by entering Bel Aire with a new full-service branch, laying the foundation for future growth. We are excited to announce that we will be heading to Manhattan, Kansas, in 2024.

Beyond financial success, CUA remains deeply committed to making a positive impact in our local communities. In 2023, we gave back over \$765,000, with a focus on education, healthcare, and community initiatives. Notably, 20% of our total contributions were allocated to diversity, equity, and inclusion organizations, reflecting our dedication to fostering a more inclusive society.



**Frank Shoffner**  
CHIEF EXECUTIVE OFFICER



## 2023 at a Glance

In 2023, we gave back over

**\$765,000**

with a focus on



Education Healthcare Community

CUA remains comfortably capitalized, serving over

**95,000** members



with \$1.5 billion in assets



20% of contributions were allocated to

**Diversity, Equity & Inclusion Organizations**

CUA will continue its growth in 2024 by opening a new branch in

**Manhattan, Kansas**



**Ranked 1<sup>st</sup>** for return to our members

among similarly sized credit unions in Kansas, according to Callahan & Associates



Using technology to enhance member experiences, CUA introduced Ellis, a digital assistant providing 24/7 phone assistance for common account questions. This new tool, coupled with our user-friendly mobile app, resulted in record-high member satisfaction scores in 2023. Of course, our friendly member support team is always available during regular business hours to assist any member with concerns. Another forward step for CUA was the introduction of a new state-of-the-art account opening system. So, now it is easy to join the credit union or open new products from the comfort of your own home and in your own time frame. Members eagerly embraced this new option, as evidenced by the strong activity coming through this new channel.

Innovation extended to our product offerings with the introduction of a new EarlyPay option for our Core checking account, improved reward features on our Visa credit cards, and the availability of adjustable-rate mortgage products.

The strength and success of CUA in 2023 are a direct reflection of our entire team's commitment to safety, stability, growth, corporate giving, and technological innovation. We thank our members for your trust and look forward to continued prosperity in the years ahead.

### Some notable contributions in 2023 were:

- **Wichita State University Teacher Apprenticeship Program (TAP):**  
Funding for teacher licensures to remove barriers for new teachers entering the workforce
- **Children's Miracle Network Hospital:**  
Supporting local families struggling with medical expenses
- **Michener Scholarship and TGIF Grants:**  
Fostering continuing education and supplementing classroom projects
- **LEAP Program:**  
Providing scholarships and job training for a diverse group of high school seniors
- **East High School 100 Year Anniversary:**  
Honoring the legacy of the very location where CUA was founded in 1935



# Chairman's Report

## Dear Fellow Members,

Even in these challenging economic times, CUA has been able to exceed expectations and excel in comparison with our peers. There are several reasons why we have been able to succeed, while others only wish to do so. One of those reasons is the corporate culture shared by our amazing employees, and that is where I would like to focus my remarks.

I am sure that all of you are familiar with our tagline, "Welcome to Friendly." Some of you may know that every internal CUA meeting begins with our purpose statement, "We come to work every day inspired to make a difference in our members' lives." However, most of you are probably unaware of how these simple words have been absorbed into our culture and actually affect the lives of our members.

### The following are just a few of the stories members have shared with management:

- A member who was battling health issues realized she had locked her keys in her car while at one of our branches. One of our employees took the time to drive her home so she could get her spare set of keys.
- A member called at 5:00 p.m. on a Friday and was in frantic need of a temporary card to replace the one he lost. He said he could not come in on Saturday due to his work schedule and didn't know what he would do. Our employees were able to rally the forces to produce the temporary card early on Saturday and then deliver it to the member at his job site.
- Another member came into a branch carrying several packages. Her car was inoperable, so she was on foot. When she completed her business at CUA, it started to rain. One of our employees generously volunteered to drive her home.
- One of our employees, not even on the clock, was at a local convenience store and overheard an elderly woman on the phone. She was asking the person on the other end of the line to be patient as she was having trouble figuring out how to use the Bitcoin kiosk. After visiting with the distraught woman, our employee began to suspect she was being scammed. The employee advised her to block the number, call the authorities, and contact her financial institution to ensure that her account was secure.
- A member visited the Delano branch and requested a large cash withdrawal. The teller asked high-impact questions to make sure the member wasn't being scammed. The member left empty-handed and came back later to personally thank the teller as the employee's suspicions turned out to be true. Because she took the time to ask questions, the teller was able to save the member thousands of dollars.
- And finally, there was a letter from a 13-year-old girl thanking our staff for the gift of hearing. Our employees, in conjunction with the Children's Miracle Network Hospitals at Ascension Via Christi, funded the purchase of a hearing aid. This enabled the child to hear sounds she never knew existed.

These stories are not unique. We receive praise for our employees' actions on a regular basis. If you also take into consideration the 600+ hours that our employees volunteered to participate in dozens of community events CUA sponsored in 2023, I think you will agree we have a really special group of employees. They have shaped the culture that is so vital to our success.

**I want to thank each member for trusting us to help you with your financial needs, and I want to thank each employee for "you being you."**



**Richard Gilstrap**  
CHAIRMAN OF THE BOARD

# Treasurer's Report

Our goal at Credit Union of America is to offer our members competitive rates on member loans and above-average dividend rates for our savers, all while remaining a well-capitalized and financially sound institution. I am pleased to report that we achieved these goals once again in 2023.

With over \$14 million in net income, CUA had nearly a 1% return on total assets, substantially higher than our peer credit unions. Our net worth capital ratio grew to a remarkable 12.8%, even as our total assets approached \$1.5 billion. Member loan and deposit growth continue to outpace those of our peers, in part because of the excellent value we provide. In fact, the independent rating firm Callahan & Associates reported that CUA provided the 11th-best total return to its members among 188 similarly sized credit unions nationwide.

As board treasurer, I am deeply grateful to all of our employees and the work they do to help make CUA a sound, stable, and "friendly" place for members to meet their financial needs.



**Stan Longhofer**  
TREASURER

## 2023 Financial Highlights



### Member-Driven

- Member deposits grew \$65.6 million, up 5.84%
- Loans increased by \$90.67 million, up 7.64%
- Deposit growth \$65.6 million, reaching \$1.189 billion
- Share growth 5.84%
- Member loan growth 7.64%, totaling \$1.265 billion
- Visa balances total over \$65 million
- Delinquency stays low at 0.53%
- Net charge-offs 0.37%



### Strong Financial Ratings

- Net worth grew by 9.74% with a net worth capital ratio of 12.76%
- Return on assets 0.99%
- Return on equity 8.21% (peer 9.07%)
- Net income \$14.3 million
- Net operating expense/average assets of 3.06%
- Superior 5-star top rating from Bauer Financial



### Financial Investments in Members

- Technology improvements, including omnichannel account opening capability and improved 24/7 digital phone assistant
- Completed construction on our Bel Aire branch
- Competitive dividend and lending rates

# Supervisory Report

CUA's Supervisory Committee of volunteers oversees the Risk Management functions of the Credit Union, including Internal Audit, Compliance, Vendor Management, and Security. We assist in the review of Board policies and practices. These responsibilities protect our members, ensuring safety and soundness, as well as the overall solvency of our financial cooperative. 2023 projects included:

- External CPA firm performed a financial statement audit as of December 31, 2022. The audit concluded that the financial statements fairly represented our financial condition and conformed to generally accepted accounting principles.
- Independent audit performed on CUA's Information Technology. Results confirmed that CUA infrastructure provides appropriate security.
- The routine 2023 annual exam by the Kansas Department of Credit Unions and the National Credit Union Administration verified that CUA continues to be well managed.

On behalf of the Supervisory Committee, I am pleased to report that your Credit Union continues to be a solid and stable financial cooperative.



**Joy McLain**  
CHAIRPERSON,  
SUPERVISORY COMMITTEE



# 2023 TOTAL GIVING: \$765,000+

Diversity, Equity, and Inclusion  
Gifts Total Over **\$270,000** 🌐

## **\$410,000+** IN EDUCATIONAL GIFTS

- **\$86,920** for TGIF Classroom Grants
- **\$83,150** to Wichita State University Foundation
- **\$34,000** to Wichita WindSurge Educator Nights
- **\$30,000** to WPS USD 259
- **\$29,000** to Misc. Education Projects 🌐
- **\$24,000** for CUA Michener Student Scholarships
- **\$16,000** to Haysville/KU School-Based Healthcare 🌐
- **\$14,004** to Maize Education Foundation
- **\$13,053** to WSU Tech Foundation
- **\$12,302** to Pando Initiative 🌐

## **\$230,000+** IN COMMUNITY GIFTS

- **\$35,293** to United Way - Staff Giving 🌐
- **\$17,328** to United Way - 5 Markets 🌐
- **\$25,550** to Air Capital Charities
- **\$20,413** to Misc. Community Projects 🌐
- **\$19,498** to Chambers of Commerce - 8 Markets
- **\$15,399** to Leukemia & Lymphoma Society 🌐
- **\$13,000** to Botanica
- **\$10,000** to Greater Wichita YMCA 🌐
- **\$5,000** to Wichita Festivals
- **\$5,000** to Starkey Foundation 🌐

## **\$125,000+** IN HEALTHCARE GIFTS

- **\$90,297** to Children's Miracle Network Hospitals 🌐
- **\$23,500** to Ascension Via Christi Foundation 🌐
- **\$5,500** for CUA Nurse Scholarships
- **\$4,150** to Salina Regional Health Center
- **\$1,145** to Kansas College of Osteopathic Medicine
- **\$1,000** to GraceMed Health Clinic 🌐

## **600+ Hours** IN GIFTS OF TIME

- Habitat for Humanity
- Coat Drive for the Homeless
- Kansas Food Bank
- Open Streets ICT
- Operation Holiday
- Reality U
- Wichita River Festival

**Statement of Condition**

(UNAUDITED)

Dec. 31, 2023

**ASSETS**

Loans & Loans Held for Sale	1,274,212,850
Less: Allowance for Loan Losses	(8,143,971)
Net Loans	1,266,068,879
Investments	146,389,388
Premises & Equipment	32,772,039
Other Assets	71,053,286
<b>Total Assets</b>	<b>1,516,283,592</b>

**LIABILITIES, SHARES & EQUITY**

Liabilities	137,377,657
Member Shares	
Membership & Other Shares	128,028,253
Money Markets	305,309,500
Share Certificates	476,364,661
IRA	94,665,326
Checking	185,053,242
Total Shares	1,189,420,982
Reserves	5,623,179
Undivided Earnings	183,861,774
Total Equity	189,484,953
Member Shares & Equity	1,378,905,935
<b>Total Liabilities, Shares &amp; Equity</b>	<b>1,516,283,592</b>

**Statement of Operations**

(UNAUDITED)

For the Period  
Jan. 1 - Dec. 31, 2023

Operating Income	
Interest from Loans	\$ 67,560,046
Interest from Investments	3,982,121
Non-Interest & Misc. Income	22,435,138
Total Operating Income	93,977,305
Operating Expenses	
Compensation & Benefits	25,218,414
Provision for Loan Losses	4,564,155
Office Operations	7,812,774
Checking, Debit Card & ATM	3,807,182
Loan Servicing	4,654,699
Professional & Data Services	4,000,921
Member Education & Marketing	2,498,660
Office Occupancy	3,330,815
Interest on Borrowed Funds	4,160,316
Other Expenses	1,151,108
Total Operating Expense	61,199,044
Net Operating Income	32,778,261
Non-Operating Gain (Loss/Expense)	1,137,656
Net Income Before Dividends	33,915,917
Member Dividends	19,585,390
<b>Net Income</b>	<b>\$ 14,330,526</b>



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